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10 February 1953

Memorandum for Mr. Dulles

Subject: Comment on "Some Major Questions" re NSC 135/3, NSC 141, et al.

1. This has three apparent facets:

(a) Take-over of Soviet Bloc territory. We have estimated that the Kremlin would not take grave risks of general war by military counteraction in the event of a quick and successful Western coup in Albania. (SE-34, 18 December, para. 11) We have no other estimate of the Kremlin reaction to subversion or military action against parts of the Soviet Bloc. Everywhere else along the perimeter of the Bloc, save for the Viet Minh areas of Indochina, any direct military action would encounter either Soviet or Chinese Communist forces almost immediately, so that the use of any Western force large enough to be effective would appear automatically to involve grave risk of general war.

(b) Internal strength and cohesion of the Bloc. We estimate that at present the Kremlin has tight control both of the USSR and of the European satellites, and that the Chinese Communists have firm control over mainland China. (NIS-64 (Part I), 12 November 1952; National Intelligence Digest, II-A-1) CIA has also estimated that this condition will continue through 1954. (Digest, Part I, paras. 6-8.) Neither in the latter estimate nor elsewhere has there been any judgment as to whether this would hold in the event of a greatly increased US effort, or how effective such an effort might be in preparing the way for a later collapse of Communist power. The NSC 135/3 theory of eventual Soviet decay is neither supported nor contradicted by any estimate.

(c) Communist strength outside the Bloc. Here the possibilities for reduction of Soviet power and influence are obviously very great. France, Italy, and Latin America are notable examples. Whatever the degree of success, the methods used are not such as to create grave danger of general war.

2. There is no estimate bearing on a situation of approximate power equilibrium. In the period before the Soviets develop a "one-punch capability" (say 3-5 years) there will be great danger that the Free World would be lulled by an absence of Soviet gain into failing to build or maintain local defenses. (This is emphasized by the contributions to the pending NIS-45.) When the Soviets do develop a "one-punch capability" (not requiring atomic parity), the danger may become rather Free World paralysis-by-fear -- that the Soviets could

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threaten local action with ruthless atomic blackmail. As I recall, Chip Bohlen thought last summer that the Soviets were unlikely to play this game to the hilt, but the temptation would certainly exist. We have no relevant estimate but our 10-year estimate, SE-35, speaks of the danger that the Kremlin might believe that, although the relationship was in balance at a given moment, a trend in favor of the West was developing, or Western actions, actually defensive in intent, had an offensive purpose. In other words, the Kremlin would be very edgy even in an "equilibrium" state.

4. As stated in paragraph 1. above, our present estimate is that the Soviet Bloc governments are firmly in control. No existing estimate goes deeply into Soviet Bloc vulnerabilities to political warfare.

5. Existing estimates are that Yugoslavia and Spain can be counted on to fight, at least in their areas. (NIE-29/2 and NIE-34) And certainly, we would say that Naguib, Chiang, Bao Dai, and Phibul Song-gram are assets in varying degree. Obviously, ideological repugnance to these men affects the attitude of other non-Communist countries, but such repugnance appears to have declined in the last three years, notably with respect to Spain and Yugoslavia.

6. No comment.

7. The pending NIE-59 demonstrates that, in quantitative and overall terms, Free World dependence on the Soviet orbit is not great. Total East-West trade is now at only about \$3.3 billion per year (both ways), or 2.5 percent of the total international trade of Western countries. No Western import from the Bloc is strategically important to the West as a whole; however, many items are new of major importance to individual countries (e.g., lumber and coarse grains to the UK, steel to Sweden and Denmark). The pending draft estimates that complete severance of trade would almost certainly cause economic dislocation. While alternate Western sources exist for what is now imported from the Bloc, it would take time to work out new markets, shipping, financing, etc. Meanwhile there would be a measure of unemployment, reduced production, and balance of payments problems.

8. The Summary Evaluation of November 1952 concluded that the Soviets could now inflict serious damage on the US. The A-bomb stockpile is estimated at 110 at present, rising to 300 by mid-1955. There are an estimated 1150 TU-4's now, and production is at 20 per month. Piston heavies and jet mediums are believed to be on the way, for

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operational use by mid-1955. All in all, the answer seems clearly in the negative. (The supporting papers to NSC 141 show that the JCS nonetheless believe that present programs are adequate, while conceding that they have fallen way behind and now provide only "10% adequate" defense. NSC 141 concludes otherwise and urges an \$3.5 million additional program over the next three years of which \$6.5 billion would be for AAA, interceptors, etc., and \$1.5 billion for radar.)

9. *No comment*

10. We believe that both factors still work against a deliberate choice of general way by the Soviets. On the whole we have tended to de-emphasize the first and to stress the second as the major present deterrent. (Digest, II-A-7.)

10. No comment.

11. *No comment.*

William P. Bundy

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